

EXHIBIT B1

**FUNDING AGREEMENT BETWEEN THE SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT AND
THE NIPOMO COMMUNITY SERVICES DISTRICT
INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT
CALIFORNIA PUBLIC RESOURCES CODE §75026 ET SEQ.**

This Funding Agreement is entered into by and between the San Luis Obispo County Flood Control and Water Conservation District, a public agency in the County of San Luis Obispo, State of California, duly organized, existing, and acting pursuant to the laws thereof (FCWCD), and the Nipomo Community Services District, a community services district duly existing and operating pursuant to the provisions of Government Code Section 61000 *et seq.* (NCSD), which parties do hereby agree as follows:

1. PURPOSE. On March __, 2013, FCWCD and the California Department of Water Resources (State) entered into Grant Agreement No. 460000717 attached hereto and incorporated herein by this reference (Grant Agreement). Pursuant to the Grant Agreement, the State shall provide a grant from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to the FCWCD to assist in financing projects associated with the San Luis Obispo Integrated Regional Water Management (IRWM) Plan (Grant). One of the projects identified in the Grant Agreement is the Nipomo Supplemental Water (Waterline Intertie) Project (Project) to be locally sponsored by the NCSD. The purpose of this Funding Agreement is to set forth the terms and conditions under which the FCWCD will disburse funds provided by the State for the Project pursuant to the Grant Agreement to the NCSD.
2. GENERAL RESPONSIBILITIES. As the Grant administrator and fiscal agent for the Grant, FCWCD is responsible for disbursing to NCSD Grant funds provided by the State for implementation of the Project subject to the terms and conditions of this Funding Agreement. The NCSD shall be responsible for faithfully and expeditiously performing or causing to be performed all Project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Schedule) and Exhibit C (Budget). The NCSD shall comply with all of the terms and conditions of this Funding Agreement and applicable California Public Resources Code (PRC) requirements. In addition, NCSD acknowledges and agrees that this Funding Agreement is subject to the obligations and limitations imposed on the FCWCD by the Grant Agreement and all future amendments to the Grant Agreement and is intended to be in conformance and harmony with it. The NCSD further acknowledges that if the Grant Agreement is terminated by the State, the FCWCD shall have the right to terminate or amend this Funding Agreement by giving written notice. The NCSD hereby expressly agrees to the provisions of the Grant Agreement and to take all actions (and provide all information) necessary for the FCWCD to satisfy its obligations thereunder. The NCSD further agrees that the FCWCD has the right to enter into amendments to the Grant Agreement and shall not be restricted or impaired, in any way, by this Funding Agreement.
3. TERM OF FUNDING AGREEMENT. The term of this Funding Agreement begins on the date this Funding Agreement is executed by FCWCD, and terminates on May 30, 2018 or when all of the Parties' obligations under this Funding Agreement are fully satisfied, whichever occurs earlier. The Execution Date is the date the FCWCD signs this Funding Agreement as indicated on page 8.
4. AMOUNT OF FUNDS AVAILABLE. In accordance with the allocation set forth in the Grant Agreement, the maximum amount of funds available to NCSD under this Funding Agreement shall not exceed \$2,200,000.00.
5. NCSD COST SHARE. The estimated total Project cost is \$14,852,000.00. The NCSD shall provide a Cost Share (Funding Match) in the amount of at least 25% (unless a Disadvantaged Community project waiver is granted) of the total Project cost. The NCSD's Funding Match is estimated to be \$12,652,000.00. NCSD's Funding Match may include cost share performed after September 30, 2008.
6. BASIC CONDITIONS. A Commitment Letter from the State to FCWCD dated September 20, 2011 provides that the Grant is contingent upon the IRWM Regional Water Management Group adopting an updated IRWM Plan within two (2) years of the effective date of the Grant Agreement. In accordance with Paragraph 4.4 of the San Luis Obispo County Region IRWM Program Participants Memorandum of Understanding, NCSD shall contribute its proportionate share to the costs of the update. FCWCD has

determined NCSD's proportionate share to be \$32,970.00, and NCSD shall remit payment in full to the address listed in Paragraph 9 within forty five (45) days of the Execution Date. FCWCD shall have no obligation to disburse any Grant funds to NCSD until it receives full payment.

In addition, FCWCD shall have no obligation to disburse money for the Project under this Funding Agreement unless and until the NCSD has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

- a) NCSD demonstrates the availability of sufficient funds to complete the Project by submitting the most recent 3 years of audited financial statements.
- b) NCSD complies with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of Project construction if that tribe has traditional lands located within the area of the Project.
- c) To the extent that the Project is a groundwater management and recharge project or has potential groundwater impacts, the NCSD must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
- d) For the term of this Funding Agreement, the NCSD submits timely Quarterly Progress Reports to FCWCD as required by Paragraph 16, "Submission of Reports." The deadlines set forth in Paragraph 16 are intended to give the FCWCD sufficient time to prepare and submit combined Quarterly Progress Reports (covering all projects funded by the Grant) to the State before the deadlines prescribed in the Grant Agreement.
- e) NCSD submits all deliverables as specified in this Paragraph of the Funding Agreement and the Work Plan in Exhibit A.
- f) Prior to the commencement of construction or implementation activities, the NCSD shall submit to the FCWCD (for submittal to the State) the following:
 - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for the Project.
 - 2) NCSD shall not proceed with any work on the Project that is subject to the California Environmental Quality Act (CEQA) and/or environmental permitting until the following actions are performed:
 - i. NCSD submits all applicable environmental permits as indicated on the Environmental Information Form to the FCWCD (for submittal to the State),
 - ii. Documents that satisfy the CEQA process are received by the State,
 - iii. State has completed its CEQA compliance review as a Responsible Agency, and
 - iv. NCSD receives written concurrence from the State of NCSD's CEQA document(s) and State notice of verification of environmental permit submittal.
 - 3) A monitoring plan as required by Paragraph 21, "Project Monitoring Plan Requirements."

Pursuant to the Grant Agreement, State's concurrence of NCSD's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (ex. construction or implementation activities) for which it is required. Therefore, the NCSD should get concurrence from the State on CEQA before beginning any of the work that is subject to CEQA. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the Project or to require changes, alterations or other mitigation. The NCSD must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

7. DISBURSEMENT OF FUNDS. Provided that the NCSD has satisfied the Basic Conditions set forth in Paragraph 6, has submitted proper invoicing to FCWCD pursuant to Paragraph 9 and is otherwise in full compliance with the terms of this Funding Agreement as determined by FCWCD (including the requirement that NCSD submit timely Quarterly Progress Reports), the FCWCD shall disburse to NCSD funds provided by the State to FCWCD specifically for the Project within four (4) weeks of receipt of said funds. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, the Grant Agreement, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to NCSD under this Funding Agreement

and any and all interest earned by NCSD on such money shall be used solely to pay Eligible Project Costs, as defined in Paragraph 8, "Eligible Project Costs."

8. ELIGIBLE PROJECT COSTS. NCSD shall apply any and all funds received pursuant to this Funding Agreement only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit C. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and Project construction. Work performed after the date of Grant award, August 16, 2011, shall be eligible for reimbursement. Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the Project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the Project, including the portion of overhead and administrative expenses that are directly related to the Project in accordance with the standard accounting practices of the NCSD.

Advanced funds will not be provided. Costs that are not reimbursable with Grant funds cannot be counted as Cost Share. Costs that are not eligible for reimbursement include but are not limited to:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.
- c) Purchase of equipment not an integral part of the Project.
- d) Establishing a reserve fund.
- e) Purchase of water supply.
- f) Monitoring and assessment costs for efforts required after Project construction is complete.
- g) Replacement of existing funding sources for ongoing programs.
- h) Travel and per diem costs.
- i) Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
- j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the Grant award with the State.
- k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of the Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as NCSD cost share (i.e. Funding Match)
- l) Overhead not directly related to Project costs.

9. METHOD OF PAYMENT. Invoices submitted by NCSD to FCWCD shall include the following information:
- a) Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
 - b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the construction, operation, or maintenance of the Project.
 - c) Appropriate receipts and reports for all costs incurred.
 - d) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - 1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - 2) Invoices must be itemized based on the categories specified in Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - 3) Sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - 4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's Grant allocation for the Project, as depicted in Paragraph 4, "Amount of Funds Available" and those costs that represent NCSD's costs, as applicable, in Paragraph 5, "NCSD Cost Share."

- 5) Original signature and date (in ink) of NCSD's Project Manager.

Payment will be made no more than monthly, in arrears, upon receipt of the invoice. Submit the original and three (3) copies of the invoice form to the following address:

San Luis Obispo County Flood Control and Water Conservation District
Courtney Howard, Water Resources Engineer
County Government Center, Room 207
San Luis Obispo, CA 93408

10. WITHHOLDING OF DISBURSEMENT BY STATE OR FCWCD. If the State or FCWCD determines that the Project is not being implemented in accordance with the provisions of the Grant Agreement or this Funding Agreement, or that NCSD has failed in any other respect to comply with the provisions of the Grant Agreement or this Funding Agreement, and if NCSD does not remedy any such failure to State's or FCWCD's satisfaction, State or FCWCD may withhold from NCSD all or any portion of the Amount of Funds Available pursuant to Paragraph 4 and take any other action that they deem necessary to protect their interests. State or NCSD may require NCSD to immediately repay all or any portion of the disbursed Grant amount with interest, consistent with their determination. State or FCWCA may consider NCSD's refusal to repay the requested disbursed Grant amount a contract breach subject to the default provisions in Paragraph 12, "Default Provisions."

If State notifies FCWCA or NCSD of its decision to withhold the entire Amount of Funds Available for the Project pursuant to Paragraph 11 of the Grant Agreement, this Funding Agreement shall terminate upon receipt of such notice by NCSD or FCWCA and shall no longer be binding on either party.

11. CONTINUING ELIGIBILITY. NCSD must meet the following ongoing requirements to remain eligible to receive Grant funds:
- a) An urban water supplier that receives grant funds governed by the Grant Agreement shall maintain compliance with the Urban Water Management Planning Act (CWC§10610 *et. seq.*)
 - b) If the Project is a groundwater management and recharge project or has potential groundwater impacts, NCSD must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
12. DEFAULT PROVISIONS. NCSD will be in default under this Funding Agreement if any of the following occur:
- a) Breach of this Funding Agreement, or any supplement or amendment to it, or any other agreement between NCSD and FCWCA evidencing or securing NCSD's obligations.
 - b) Failure to comply with the terms, provisions, conditions and written commitments set forth in the Grant Agreement or failure to take the actions (or provide the information) necessary for FCWCD to satisfy its obligations under the Grant Agreement.
 - c) Making any false warranty, representation, or statement with respect to this Funding Agreement.
 - d) Failure to operate or maintain the Project in accordance with this Funding Agreement.
 - e) Failure to make any remittance required by this Funding Agreement.
 - f) Failure to comply with Labor Compliance Program (LCP) requirements.
 - g) Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

Should an event of default occur, State or FCWCD may do any or all of the following:

- h) Declare the disbursed funds be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
 - i) Terminate any obligation to make future payments to NCSD.
 - j) Terminate the Funding Agreement.
 - k) Take any other action that they deem necessary to protect their interests.
13. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. NCSD shall be responsible for ensuring any and all permits, licenses, and approvals required for performing its obligations under this Funding Agreement are obtained, and shall comply with CEQA (PRC Section 21000 *et seq.*) and other applicable federal, State and local laws, rules, and regulations, guidelines, and requirements for the Project as described in Exhibit A.

14. RELATIONSHIP OF PARTIES. NCSD is solely responsible for design, construction, and operation and maintenance of the Project. Review or approval of plans, specifications, bid documents, or other construction documents by State or FCWCD is solely for the purpose of proper administration of Grant funds by State or FCWCD and shall not be deemed to relieve or restrict NCSD's responsibilities under this Funding Agreement.
15. NCSD REPRESENTATIONS. NCSD accepts and agrees to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by FCWCD or NCSD in the application, documents, amendments, and communications filed in support of FCWCD's request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing for the Project.
16. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to FCWCD. All reports shall be submitted to FCWCD, and shall be submitted in both electronic and hard copy forms. If requested, NCSD shall promptly provide any additional information deemed necessary by State or FCWCD for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E. The timely submittal of reports is a requirement for initial and continued disbursement of Grant funds. Submittal and subsequent approval by the State and FCWCD of a Project Completion Report for the Project is a requirement for the release of any funds retained for the Project.
- Quarterly Progress Reports: NCSD shall submit Quarterly Progress Reports on a regular and consistent basis to meet the State and FCWCD's requirement for disbursement of funds. Quarterly Progress Reports shall be sent via e-mail to the FCWCD as specified in Exhibit B. Quarterly Progress Reports shall provide a brief description of the work performed, NCSD activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Quarterly Progress Report should be submitted to FCWCD no later than June, 15, 2013 with future reports then due on successive three month increments based on the invoicing schedule and this date. Quarters for this contract are designated as follows: March 1 – May 31, June 1 – August 31, September 1 – November 30, and December 1 – February 28(or 29). Reports are due 15 days after the last month of the report period.
 - Project Completion Reports: NCSD shall prepare and submit to FCWCD a Project Completion Report for the Project. NCSD shall submit a Project Completion Report within sixty (60) calendar days of Project completion. The Project Completion Report shall include a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, and copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of the final Project by a registered civil engineer, consistent with Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." A DWR "Certification of Project Completion" form will be provided by the State.
 - Project Performance Reports: NCSD shall submit a Project Performance Report for the Project. The Project Performance Report shall be submitted to FCWCD within sixty (60) calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed Project begins operation.
17. NCSD PERFORMANCE AND ASSURANCES. NCSD agrees to faithfully and expeditiously perform or cause to be performed all work as described in the final plans and specifications for the Project under this Funding Agreement and implement the Project in accordance with applicable provisions of the law. In the event State or NCSD finds it necessary to enforce Paragraph 18 of the Grant Agreement or this provision of the Funding Agreement in the manner provided by law, NCSD agrees to pay all costs incurred by State or FCWCD including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

18. LABOR COMPLIANCE. NCSD will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 et seq. of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these *Guidelines*, including any payments to the Department of Industrial Relations under California Labor Code Section 1771.3.
19. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of the Project and in consideration of the funds made available by State, NCSD agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The NCSD hereby expressly assumes all operations and maintenance costs of the facilities and structures; neither FCWCD nor State shall be liable for any cost of such maintenance, management, or operation. NCSD may be excused from operations and maintenance only upon the written approval of the State's Project Manager. For purposes of this Funding Agreement, "useful life" means the period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of NCSD to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State or FCWCA, be considered a breach of this Funding Agreement and may be treated as a default under Paragraph 12, "Default Provisions."
20. STATEWIDE MONITORING REQUIREMENTS. If the Project is a groundwater project or a project that includes groundwater monitoring requirements, NCSD shall ensure that the Project is consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of the California Water Code (CWC)) and, if the Project affects water quality, NCSD shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.
21. PROJECT MONITORING PLAN REQUIREMENTS. The Funding Agreement work plan should contain activities to develop and submit to FCWCD a monitoring plan for the Project that is the subject of this Funding Agreement. Along with the Attachment 6 Project Performance Measures Tables requirements outlined on page 21 of the Proposition 84 Round 1 Implementation Proposal Solicitation Package, the Project Monitoring Plan should also include:
- a) Baseline conditions.
 - b) Brief discussion of monitoring systems to be utilized.
 - c) Methodology of monitoring.
 - d) Frequency of monitoring.
 - e) Location of monitoring points.
- A monitoring plan shall be submitted to the FCWCD prior to disbursement of Grant funds for construction or monitoring activities for the Project. See Exhibit G ("Requirements for Data Submittal") for web links and information regarding other State monitoring and data reporting requirements.
22. NOTIFICATION OF FCWCD. NCSD shall promptly notify FCWCD, in writing, of the following items:
- a) Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. NCSD agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to FCWCD and State and FCWCD and State have given written approval for such change. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. See Exhibit H for guidance on Agreement Amendment requirements.

- b) Any public or media event publicizing the accomplishments and/or results of this Funding Agreement or the Grant Agreement and provide the opportunity for attendance and participation by FCWCD and State representatives. NCSD shall make such notification at least fourteen (14) calendar days prior to the event.
- c) Completion of work on the Project shall include final inspection of the Project by a Registered Civil Engineer, as determined and required by FCWCD or State, and in accordance with Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." Furthermore, the NCSD shall provide the FCWCD and State the opportunity to participate in the inspection. NCSD shall make such notification at least fourteen (14) calendar days prior to the final inspection.
23. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party or to the State under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by "overnight" delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by electronic means. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below. FCWCD will notify NCSD if it receives notice of a change of address from the State.
24. PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, NCSD's performance will be evaluated by the FCWCD and State and a copy of the evaluations will be placed in the State and FCWCD files. Copies will be sent to the NCSD.
25. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows.

Nipomo Community Services District
Michael S. LeBrun
General Manager
148 South Wilson Street, P.O. Box 326
Nipomo, CA 93444
Phone : (805) 929-1932
e-mail: mlebrun@ncsd.ca.gov

Department of Water Resources
Paula Landis
Chief, Division of IRWM
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9220
e-mail: plandis@water.ca.gov

San Luis Obispo County Flood Control and
Water Conservation District
Paavo Ogren
Director of Public Works
Public Works Department
County Government Center, Room 207
San Luis Obispo, CA 93408
Phone: (805) 781-5252
e-mail: pogren@co.slo.ca.us

Direct all inquiries to the Project Manager:

Nipomo Community Services District
Peter Sevcik
148 South Wilson Street, P.O. Box 326
Nipomo, CA 93444
(805) 929-1133

e-mail: psevcik@ncsd.ca.gov

Department of Water Resources
Monica Reis

Division of Integrated Regional Water
Management
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9291
e-mail: mreis@water.ca.gov

San Luis Obispo County Flood Control and
Water Conservation District
Courtney Howard
Public Works Department
County Government Center, Room 207
San Luis Obispo, CA 93408
Phone: (805) 781-1016
e-mail: choward@co.clo.ca.us

Either party may change its Project Representative or Project Manager upon written notice to the other party.

26. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Schedule
- Exhibit C – Budget
- Exhibit D – Standard Conditions
- Exhibit E – Report Formats and Requirements
- Exhibit F – Local Project Sponsors (intentionally omitted)
- Exhibit G – Requirements for Data Submittal
- Exhibit H – Guidelines for Grantees
- Exhibit I – Grantee Resolution (intentionally omitted)
- Exhibit J – Grant Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Funding Agreement.

COUNTY OF SAN LUIS OBISPO FLOOD CONTROL AND WATER CONSERVATION DISTRICT By: _____ Chairperson of the Board County of San Luis Obispo Flood Control and Water Conservation District, State of California Date: _____, 20____	NIPOMO COMMUNITY SERVICES DISTRICT By: _____ Date: _____, 20____
APPROVED AS TO FORM AND LEGAL EFFECT: RITA L. NEAL County Counsel By: _____ Deputy County Counsel Date: _____, 20____	APPROVED AS TO FORM AND LEGAL EFFECT: Nipomo Community Services District Counsel By: _____ Counsel Date: _____, 20____
ATTEST: _____ County Clerk and Ex-Officio Clerk of the Board of Supervisors, County of San Luis Obispo Flood Control and Water Conservation District, State of California Date: _____, 20____	

Project Number 4. Nipomo Supplemental Water (Waterline Intertie) Project

The Nipomo Community Services District (NCSD) is the lead agency for implementation of the Nipomo Supplemental Water Project (Project). The Project will interconnect the NCSD water distribution system with the City of Santa Maria water distribution system. The Project consists of approximately 4,800 lineal feet of 18 inch diameter ductile iron pipe (DIP) waterline (24 inch diameter DIP waterline bid alternate), 2,600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, 2,726 lineal feet of 24 inch diameter DIP waterline, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing NCSD production wells (Figure 1).

The Project will deliver 645 acre-feet per year (AFY) of supplemental water purchased by NCSD from the City of Santa Maria and will allow NCSD to reduce pumping from existing wells to slow the depletion of groundwater and reduce the potential for seawater intrusion on the Nipomo Mesa. The Project will also increase the reliability of the NCSD water supply by providing an additional source other than groundwater. The Project is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin.

Future Phase 2 will consist of approximately 5,000 lineal feet of 12 inch diameter waterline, a 500,000 gallon partially buried pre-stressed concrete tank at the pump station, and installation of three (3) larger pumps at the pump station. This additional infrastructure will allow for the delivery of a total of 1,600 AFY of supplemental water.

Future Phase 3 will consist of approximately 11,000 lineal feet of 12 inch diameter waterline and installation of one (1) additional pump at the pump station as well as four (4) pressure reducing stations. This additional infrastructure will allow for the delivery of a total of 3000 AFY of supplemental water.

Budget Category (a): Direct Project Administration

Project Management

Project Management includes District staff time and necessary expenses incidental to the project for project management and is estimated to be approximately 2.3% of the estimated construction cost shown in Budget Category (d). The purpose of this task is to keep the Project budget and schedule on track, and execute and manage all consultant contracts. As the lead agency for implementation of the Supplemental Water Project, the NCSD has and will continue to be responsible for the daily management of the Project. The baseline schedule and schedule updates are prepared and reported to the NCSD Board of Directors on a monthly basis.

In support of the IRWM Implementation Grant administration, quarterly project reports will be provided to the San Luis Obispo County Flood Control and Water Conservation District that describe the progress and accomplishments for the quarter. An assessment of the project schedule and budget, and updated schedules and budgets, if appropriate, will also be included. Following project close-out, the NCSD will prepare a Final Project Completion Report summarizing the project implementation, demonstrating completion of all task items, and documenting the project costs and grant distributions. The Final Report will be submitted within 90 days of project completion (including environmental mitigation and compliance work). The invoicing, quarterly reports and final reports shall be prepared consistent with State grant guidelines.

Project Performance and Monitoring Plan

The Nipomo Mesa Management Area (NMMA) Technical Group has established a monitoring program that has been approved by the Court that exists specifically to monitor the health of the basin. The \$75,000 cost estimate is an annual funding cap for the operation of the NMMA Technical group that is not to be exceeded without Court approval. Performance of the Supplemental Water Project will be monitored within the existing Court approved NMMA Monitoring Program. Evaluating changes in groundwater levels following implementation of the Project will require collection and analyses of monitoring information including groundwater elevation, groundwater production, and other related data. The most direct Project performance measures will be the increase in

groundwater levels within the NMMA and reduction in the quantity of groundwater pumped as measured at the NCSD's existing production wells. NCSD will submit a copy of the established monitoring program.

Project Administration costs are not a part of the grant funding and are submitted for consideration as matching funds.

Deliverables:

Invoices
Quarterly Reports
Project Performance Monitoring Plan
Final Report

Budget Category (b): Land Purchase/Easements

Land Acquisition

Land acquisition is the anticipated cost to obtain one 0.77 acre parcel in fee title and 5.4 acres of temporary construction easements and 8.2 acres of permanent easements across 11 parcels. Property negotiations are currently underway and subject to confidentiality. Actual costs will be submitted after final acquisition. The parcel in fee title is required for the pump station facility. Temporary construction easements are anticipated to be needed for stockpiling, equipment storage, equipment mobilization, and construction through the project area. The permanent easements are needed for the water line, underground utilities and access road facilities. Property appraisals, easement document preparation, and property owner correspondence will be completed by NCSD's right-of-way acquisition consultant.

Land Acquisition costs are not a part of the grant funding and are submitted for consideration as matching funds.

Deliverables:

Fee Title (one parcel)
Temporary and Permanent Easements

Budget Category (c): Planning/Design/Engineering/Environmental Documentation

Design

Design and engineering costs are based on actual consultant contracts and invoices as well as projected costs to finalize design that were incurred after September 30, 2008. Relevant planning studies were completed prior to September 30, 2008.

The design drawings and specifications are being developed as three separate bid packages as follows:

1. Bid Package 1 – Santa Maria River Crossing
2. Bid Package 3 – Blosser Road Waterline, Meter, and Flow Control Station
3. Bid Package 4 – Joshua Street Pump Station

Design of the Supplemental Water Project will be completed to current civil, geotechnical, seismic, mechanical, electrical, and architectural standard practices. Each submittal has been through a third party review for value engineering as well as constructability and bidability. Construction documents and contracts will include Section 7 Caltrans State Standard Specifications and the requirements of the State labor code for Public Works projects in accordance with the Labor Compliance Plan.

A variety of standards are being used for the piping, materials, equipment, and construction of the Supplemental Water Project including standards from the:

- American Concrete Institute (ACI);
- American Society for Testing and Materials (ASTM);
- American Institute of Steel Construction (AISC);
- American Water Works Association (AWWA);
- American Society of Mechanical Engineers (ASME);
- American National Standards Institute (ANSI); and
- American Welding Society (AWS)

Note that the list above is a sampling of organizations whose standards are used for the Nipomo Supplemental Water Project and is not comprehensive. Numerous other standards, too many to list, are also called for in the Nipomo Supplemental Water Project contract documents.

Environmental Documentation

Environmental documentation costs are based on actual consultant contracts and invoices that were incurred after September 30, 2008.

The Project Final EIR was certified by the NCSD in April 2009 as the lead agency and the City of Santa Maria as a responsible agency. A Supplemental EIR was certified by NCSD in April 2011. A notification to the Native American Heritage Commission (NAHC) was submitted and a response was received on July 3, 2008. A records search and field survey were conducted in accordance with their response and mitigation measures were incorporated into the EIR to address cultural resources.

Planning/Design/Engineering/Environmental Documentation costs are not a part of the grant funding and are submitted for consideration as matching funds.

Deliverables:

Bid Package 1 Final Design – Santa Maria River Crossing
 Bid Package 3 Final Design – Blosser Road Waterline, Meter, and Flow Control Station
 Bid Package 4 Final Design – Joshua Street Pump Station
 EIR and Supplemental EIR

Budget Category (d): Construction/Implementation

The construction cost estimates were developed by individual bid packages. Construction cost estimates are based on the 100% completed design for Bid Packages 1 and 3 as well as the 95% completed design for Bid Package 4. The cost estimates include a line item for all construction activities from mobilization to site restoration following the completion of construction.

Construction contracts will include Section 7 Caltrans State Standard Specifications and the requirements of the State labor code for Public Works projects in accordance with the Labor Compliance Plan.

Bid Package 1 – Santa Maria River Crossing

Due to the specialized nature of the work for Bid Package 1, a contractor pre-qualification process as allowed by Public Contracts Code Section 20101, followed by a contract advertisement and competitive bidding process will be utilized for the construction of the Bid Package 1. The construction contract will be awarded to the lowest responsible pre-qualified bidder.

The Bid Package 1 work task involves the installation of 2,600 feet of 24-inch nominal inside diameter fusion-welded high-density polyethylene (HDPE) pipe under the Santa Maria River at a maximum depth of approximately 110 feet underneath the riverbed using the horizontal directional drilling method (HDD). HDD is typically a three-stage construction method with the first stage consisting of a pilot hole excavation, the second stage consisting of reaming the hole to the required size and the third stage consisting of pulling the pipe into the stabilized hole. In

addition, 333 lineal feet of 24 inch diameter ductile iron pipe (DIP) installed by the open trench method is included in the bid package and will connect to the 24-inch waterline installed in Bid Package 3.

Bid Item Descriptions

The following is a summary of some of the key bid items but is not intended to be exclusive descriptions of work categories:

1. 24-Inch Pressure Class 250 Ductile Iron Pipe:
Work to install the 24-inch Ductile Iron pipe shall include associated with pipe and fittings, couplings, flanges, appurtenances, bulkheads, valves, and other labor, materials, tools, and equipment associated with the installation of the 24-inch DI pipeline.
2. 24-inch nominal I.D. Fusion-Welded Pipeline Including HDD Bore:
Work to install the 24-inch nominal inside diameter DR-9 HDPE pipe in a horizontally directionally drilled borehole shall include pilot hole drilling, tracking and guidance of the pilot during drilling, reaming, installation of surface monitors, CCTV inspection, disposal of materials and spoils, recycling and disposal of driller's mud, HDPE pipe and pipe joint fusion, HDPE electro fusion couplings, annulus grouting, and other work necessary to complete the bore.
3. 54-inch Minimum Diameter Steel Surface Casing at HDD South Entry Point:
Work to install the 54-inch steel surface casing installed by the pipe ramming method at the HDD Entry Point shall include pit excavation, steel casing pipe, welding, annulus grouting, installation to the design tolerances specified, disposal of materials and excavation spoils, and other labor, materials, tools, and equipment associated with the installation of the 54-inch steel surface casing.
4. 54-inch Minimum Diameter Steel Surface Casing at HDD North Entry Point:
Work to install the 54-inch steel surface casing installed by the pipe ramming method at the HDD Entry Point shall include pit excavation, steel casing pipe, welding, annulus grouting, installation to the design tolerances specified, disposal of materials and excavation spoils, and other labor, materials, tools, and equipment associated with the installation of the 54-inch steel surface casing.
5. 24-inch Ductile Iron Water Main Connection to Bid Package No. 3 (South):
Connect to the 24-inch pipeline installed by others as part of Bid Package 3. Remove test bulkheads, make and test the connection, backfill, and restore the site. The work shall include furnishing all labor, materials, tools, and equipment involved to connect to the 24-inch Ductile Iron Pipe in place in accordance with the plans and specifications.
6. 24-inch Ductile Iron Water Main Connection to Bid Package No. 4 (North):
Connect to the 24-inch pipeline installed by others as part of Bid Package 4. Remove test bulkheads, make and test the connection, backfill, and restore the site. The work shall include labor, materials, tools, and equipment involved to connect to the 24-inch Ductile Iron Pipe in place in accordance with the plans and specifications.

Bid Package 3 – Blosser Road Waterline, Meter and Flow Control Station

The normal contract advertisement and competitive bidding process will be utilized for the construction of the Bid Package 3. This process will follow State public contracting code. The construction contract will be awarded to the lowest responsible bidder.

The major Bid Package 3 work task involves the installation of 4,800 lineal feet of 18 inch (or alternate bid diameter 24 inch) DIP waterline from a connection to the north end of the City of Santa Maria water distribution system at the intersection of Blosser Road and West Taylor Street north along Blosser Road to Atlantic Place. At Atlantic Place, the diameter changes to 24 inch DIP and continues 670 feet underneath the Santa Maria River levee to connect to

the 24 inch waterline installed in Bid Package 1. The work also includes a flow meter to measure the quantity of water delivered for billing purposes and a flow control station that will regulate the delivery flow rate.

Bid Item Descriptions

The following is a summary of some of the key bid items but is not intended to be exclusive descriptions of work categories:

7. Ductile Iron Water Main and Appurtenances – 18-inch
Work to install the 18-inch Ductile Iron Water Main and Appurtenance shall include all labor, materials, tools, and equipment to provide the 18-inch Ductile Iron Water Main and Appurtenance in place and operational in accordance with the plans and specifications including trench excavation, ductile iron pipe, fittings, pipe bedding, appurtenances and other necessary work.
8. Connection at Blosser Road and West Taylor Street
Work shall include connection at West Taylor Street and Blosser Road in place and operational in accordance with the plans and specifications including, but trench excavation, ductile iron pipe, fittings, pipe bedding, appurtenances and other necessary work.
9. Flow Control Valve and Flow Meter Stations
Work to install the Flow Control Valve and Flow Meter Stations in place and operational in accordance with the plans and specifications include such items as hatches, ladders, wall seals; connections to distribution pipe; valves, meters, pipes, appurtenances and connection to and integration with the District's and the City's SCADA systems, electrical wiring.
10. Blow-off Valves, 6-inch
Work to install the 6-in Blow-off assembly in place and operational in accordance with the plans and specifications.
11. Combination Air-Release Valves, 2-inch
Work to install the 2-in Combination Air / Vacuum Release Valve assembly in place and operational in accordance with the plans and specifications.
12. Combination Air-Release Valves, 6-inch
Work to install the 6-in Combination Air / Vacuum Release Valve assembly in place and operational in accordance with the plans and specifications.
13. Butterfly Valves, 18-inch
Work to install the 18-inch Butterfly Valve in place and operational in accordance with the plans and specifications.
14. Provisions for Future Pig Launching Facility
Work includes the labor, materials, tools, and equipment to provide the provisions for the future pig launching facility in place and operational in accordance with the plans and specifications.
15. Ductile Iron Water Main and Appurtenances, 24-inch (Deep Trench)
Work shall includes deep trench 24-inch Ductile Iron Water Main and Appurtenances all labor, materials, tools, and equipment to provide the 24-inch Ductile Iron Water Main and Appurtenances in place and operational in accordance with the plans and specifications.

16. Bore and Jack 36-inch Casing and 18-inch Ductile Iron Pipe (Under Storm Drain)

Work to install includes all labor, materials, tools, and equipment to provide the casing and carrier pipe in place and operational in accordance with the plans and specifications including 36-inch steel casing (approximately 55 linear feet), 18-inch ductile iron carrier pipe (approximately 72 linear feet), casing seals, filling the casing, fittings, connections to pipelines, valves; and other appurtenances.

17. Bore and Jack 36-inch Casing and 24-inch Ductile Iron Pipe (Under Levee)

Work to install includes all labor, materials, tools, and equipment and doing all work involved to provide the casing and carrier pipe in place and operational in accordance with the plans and specifications including, 36-inch steel casing (approximately 270 linear feet), 24-inch ductile iron carrier pipe (approximately 274 linear feet), casing seals, filling the casing, fittings, connections to pipelines, valves; and other appurtenances.

Bid Package 4 – Joshua Road Pump Station

The normal contract advertisement and competitive bidding process will be utilized for the construction of the Bid Package 4. This process will follow State public contracting code. The construction contract will be awarded to the lowest responsible bidder.

Bid Package 4 includes multiple major work tasks including construction of 1,723 feet of 24-inch diameter DIP waterline to connect the pump station to the existing 12-inch diameter waterline in Santa Maria Vista, construction of a two pump, 400 gallon per minute booster pump station and related facilities, and installation of chloramination equipment at the District's Sundale, Eureka, Via Concha and Blacklake #4 wells.

Bid Item Descriptions

The following is a summary of some of the key bid items but is not intended to be exclusive descriptions of work categories:

18. Ductile Iron Water Main and Appurtenances, CL250, 24-inch, Deep Trench

Work to install deep trench 24-inch Ductile Iron Water Main and Appurtenances including all labor, materials, tools, and equipment to provide the 24-inch Ductile Iron Water Main and Appurtenances in place and operational in accordance with the contract documents.

19. Ductile Iron Water Main and Appurtenances, CL250, 24-inch, Normal Trench

Work to install the normal trench 24-inch CL250 DIP Water Main and Appurtenances in accordance with the contract documents.

20. Pump Station

Work includes labor, materials, tools, and equipment to construct the pump station as detailed in the contract documents, including items such as pumps, pump cans, building, site piping, pig retrieving station, variable frequency drives, electrical, surge tank system, flow meter, chloramination system, on-site water system, and all other work required.

21. Wellhead Chloramination System No. 1 (Eureka)

Work includes labor, materials, tools, and equipment, to construct the pump station as detailed in the contract documents, including items such as skid mounted chloramination system, piping, SCADA integration, drywell, and all other work required.

22. Wellhead Chloramination System No. 2 (Blacklake #4)

Work includes labor, materials, tools, and equipment, to construct the pump station as detailed in the contract documents, including items such as skid mounted chloramination system, piping, SCADA integration, drywell, and all other work required.

23. Wellhead Chloramination System No. 3 (Via Concha)

Work includes labor, materials, tools, and equipment, to construct the pump station as detailed in the contract documents, including items such as skid mounted chloramination system, piping, SCADA integration, drywell, and all other work required.

24. Wellhead Chloramination System No. 4 (Sundale)

Measurement for Bid Item No. 17 shall be based on completion of the work on a lump sum basis.

Work includes labor, materials, tools, and equipment, to construct the pump station as detailed in the contract documents, including items such as skid mounted chloramination system, piping, SCADA integration, drywell, and all other work required.

25. Bid Item No. 19 – Santa Maria Vista Way Pressure Reducing Valve Station

Work to install the Santa Maria Vista Way Pressure Reducing Valve Station shall include labor, materials, tools, and equipment to provide the in place and operational in accordance with the contract documents including, dewatering, precast concrete vault, hatch, connections to existing pipe; repair of existing pipe; valves, pipes, fittings, concrete pads, pipe supports, flexible couplings, pressure reducing valves, and other work required..

26. Pipe Trench Foundation/Subgrade Stabilization (rock refill encased in filter fabric) as needed.

27. Foundation/Subgrade Stabilization for Structures as needed.

Construction/Implementation costs associated with Bid Package #3 are submitted for grant funding and for consideration as matching funds. Construction/Implementation costs associated with Bid Packages #1 and #4 are submitted for consideration as matching funds only.

Deliverables:

Notice to Proceed for each contract

Notice of Completion for each contract

Budget Category (e): Environmental Compliance/ Mitigation/ Enhancement

Permitting

The permitting task is summarized below:

Permitting Agency	Permit	Status	Issue Date
City of Santa Maria	Encroachment	Contractor to apply	After Bid Award
CA Fish & Game	Streambed Alteration Agreement	Received	3/22/2012
ACOE	404 & other permits	Received exemption	3/25/2010
DOSH (OSHA)	Tunnel Classification	Received	3/22/2010 & 3/30/2010
DOSH (OSHA)	Excavations > 5 ft	Contractor to apply	After Bid Award
DOSH (OSHA)	Safety Rep. Tunneling Certification	Contractor to apply	After Bid Award
SLO APCD	Auth. to Construct/Permit to Operate	NCSD to apply	At Bid Phase
SLO APCD	Naturally Occurring Asbestos	Received exemption	11/2/2009
RWQCB	Notice of Intent to Discharge	NCSD to file	At Bid Phase
RWQCB	SWPPP	Contractor to complete	After Bid Award
CDPH	Water Supply Permit Amendment	NCSD to file	Min. 4 mo. prior to startup

All environmental permits required, with the exception of the Water Supply Permit Amendment from the California Department of Public Health (CDPH), have been obtained. Therefore, only the cost of the CDPH permit is included for environmental permitting. The cost is based on the estimated staff time involved with preparing the Water Supply Permit Amendment.

Construction related permits, where required, are the responsibility of the construction contractors. The construction cost estimates in Budget Category (d) reflect the cost of obtaining permits, as described in bid documents.

Permitting costs are not a part of the requested grant funding and are submitted for consideration as matching funds.

Deliverables:

Permits

Water Supply Permit Amendment

Environmental Inspection Reports

Budget Category (f): Construction Administration

Construction Management

Construction administration of the three bid packages is based on a proposal from NCSD's construction management consultant that assumes the simultaneous construction of all three bid packages during a 16 month construction schedule. The scope of work includes:

- Full-time inspection
- Survey oversight
- Geotechnical services
- Oversight of environmental subconsultants
- Assistance during the bid period
- Preparation of a construction management procedures manual

- Coordination between the contractor, design engineer and NCSD
- Labor Compliance
- Documentation of the project's construction
- Claims analysis services
- Preparation of monthly construction progress reports

The Construction Manager will be responsible for reviewing the contractor's payroll submittals for labor compliance as required in the State Standard Specifications and Labor Compliance Program.

Environmental specialists will be contracted to provide environmental compliance during construction as part of the construction management contract to ensure that construction is being implemented in compliance with all archeological monitoring and biological monitoring mitigation measures stipulated in the environmental documentation and permits. Environmental compliance during construction will include:

- Awareness level training for contractor personnel and field inspectors
- Environmental inspections per environmental documentation and permit requirements
- Monthly documentation of inspections

Engineering Services During Construction

The estimated cost for Engineering Services During Construction (ESDC) is based on a proposal from NCSD's engineering consultant that assumes the simultaneous construction of all three bid packages during a 16 month construction schedule. The scope of work includes shop drawing review, responding to requests for information, bi-weekly site visits, and preparation of as-built construction drawings.

Construction administration costs are not a part of the grant funding and are submitted as matching funds.

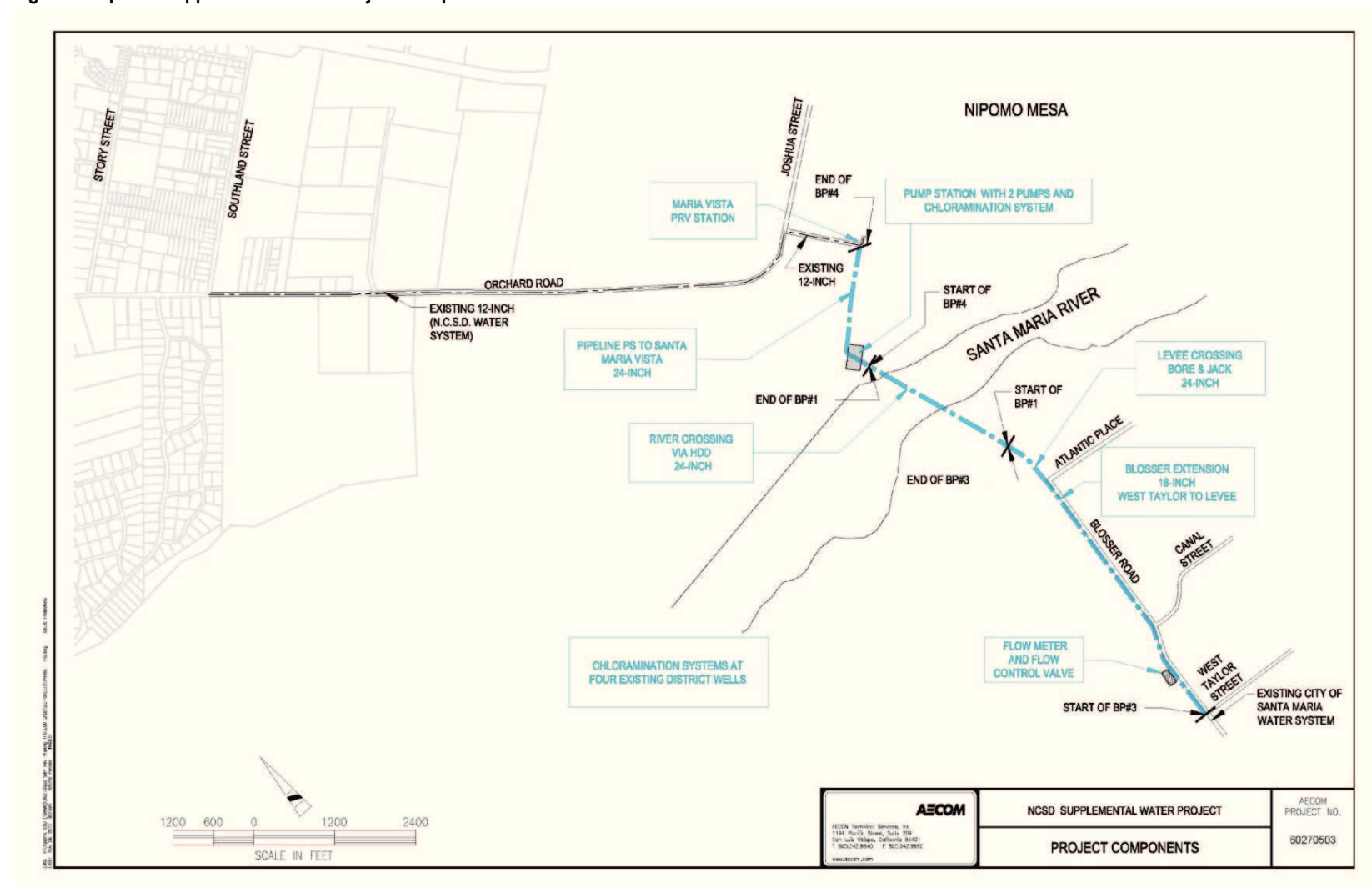
Deliverables:

Letter to County with exhibits documenting Labor Compliance
Monthly Construction Progress Reports
As Built Drawings

Budget Category (g): Construction/ Implementation Contingency

The 15% construction contingency is based on the detailed Opinion of Probable Construction Costs (Tables 1 to 3). The construction cost estimates were developed by individual bid packages. Construction/Implementation contingency costs are not a part of the grant funding and are submitted as matching funds.

Figure 1. Nipomo Supplemental Water Project Components



Project 4 - Nipomo Supplemental Water (Waterline Intertie) Project

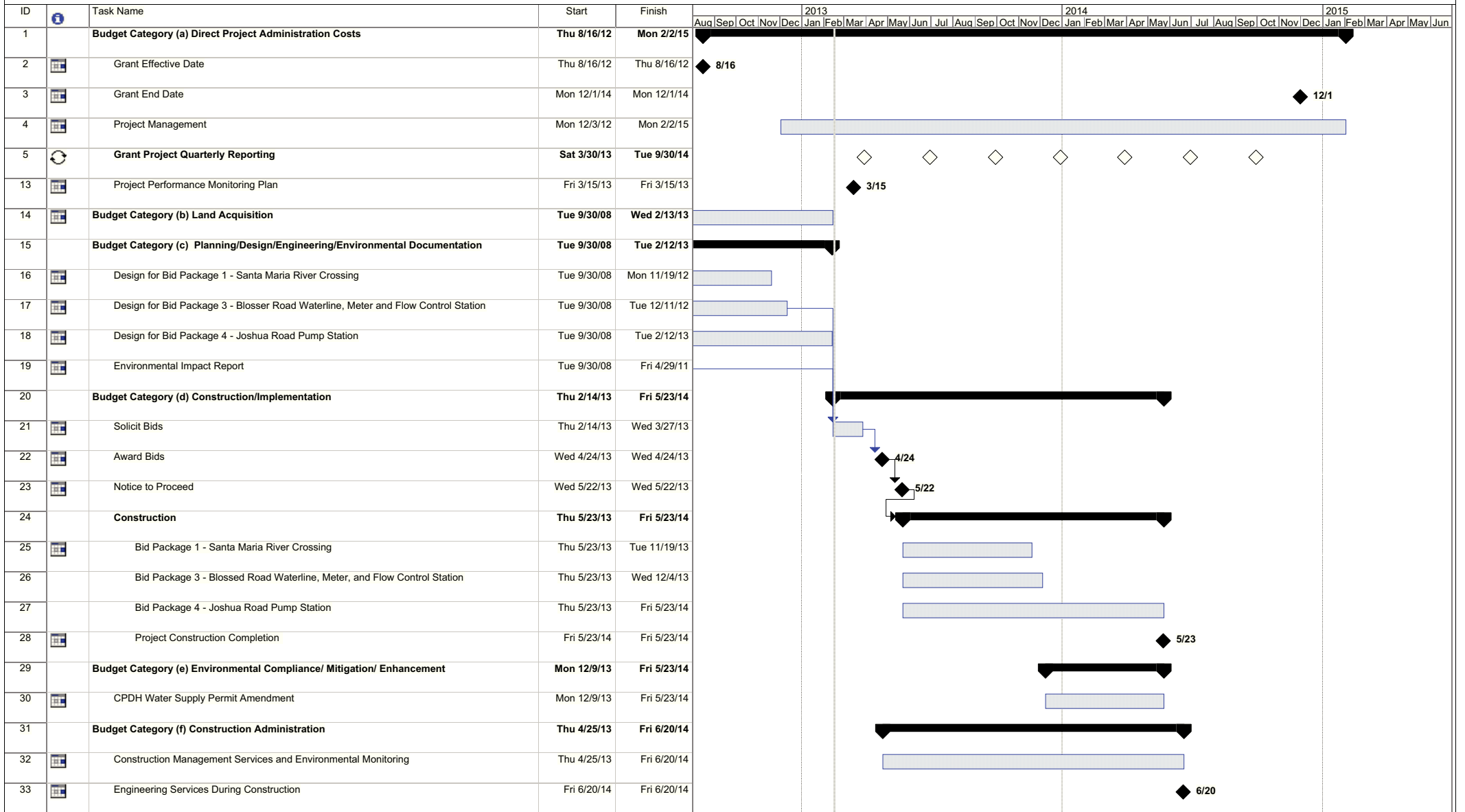


Exhibit C

Project Number 4. Nipomo Supplemental Water (Waterline Intertie) Project

Budget Category		Non-State Share* (Funding Match)	Grant Funding	Total
(a)	Direct Project Administration Costs			\$303,000
	<i>Project Management</i>	\$228,000	\$0	
	<i>Project Performance Monitoring Plan</i>	\$75,000	\$0	
(b)	Land Acquisition	\$350,000	\$0	\$350,000
(c)	Planning/ Design/ Engineering/ Environmental Documentation			\$1,045,000
	<i>Design</i>	\$978,000	\$0	
	<i>Environmental Impact Report</i>	\$67,000	\$0	
(d)	Construction/ Implementation			\$9,924,000
	<i>Bid Package 1 Santa Maria River Crossing</i>	\$4,347,000	\$0	
	<i>Bid Package 3 Blosser Road Water Main and Flow Meter</i>	\$218,000	\$2,200,000	
	<i>Bid Package 4 Joshua Street Pump Station and Reservoir</i>	\$3,159,000	\$0	
(e)	Environmental Compliance/ Mitigation/ Enhancement	\$5000		\$5000
(f)	Construction Management			\$1,740,000
	<i>Construction Management Services</i>	\$1,490,000		
	<i>Engineering Services During Construction</i>	\$250,000		
(g)	Construction/ Implementation Contingency	\$1,485,000	\$0	\$1,485,000
	Grand Total (Sum rows (a) through (g) for each column)	\$12,652,000	\$2,200,000	\$14,852,000

EXHIBIT D
STANDARD CONDITIONS

D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- a) **Separate Accounting of Grant Disbursement and Interest Records:** NCSD shall account for the money disbursed pursuant to this Funding Agreement separately from all other NCSD funds. NCSD shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. NCSD shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. NCSD shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State or FCWCD at any and all reasonable times.
- b) **Fiscal Management Systems and Accounting Standards:** The NCSD agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of Grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law, the Grant Agreement or this Funding Agreement.
- c) **Remittance of Unexpended Funds:** NCSD, within a period of forty-five (45) calendar days from the final disbursement from FCWCD to NCSD of Grant funds, shall remit to FCWCD any unexpended funds that were disbursed to NCSD under this Funding Agreement and were not needed to pay Eligible Project Costs.

D.2 ACKNOWLEDGEMENT OF CREDIT: NCSD shall include appropriate acknowledgement of credit to the State and FCWCD when promoting the Project or using any data and/or information developed under this Funding Agreement. During construction of the Project, NCSD shall install a sign at a prominent location which shall include a statement that the Project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. NCSD shall notify FCWCD that the sign has been erected by providing it with a site map with the sign location noted and a photograph of the sign.

D.3 AMENDMENT: No amendment or variation of the terms of this Funding Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Funding Agreement is binding on any of the parties. For guidance on the Amendment Requirements see Exhibit H.

D.4 AMERICANS WITH DISABILITIES ACT: By signing this Funding Agreement, NCSD assures FCWCD that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 *et seq.*), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5 AUDITS: NCSD acknowledges that the State and FCWCD have the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State or FCWCD. After completion of the Project, the State and FCWCD have the right to require NCSD to conduct a final audit, at NCSD's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by NCSD to comply with this provision shall be considered a breach of this Funding Agreement, and the State and FCWCD may take any action they deem necessary to protect their interests.

Pursuant to Government Code Section 8546.7, NCSD shall be subject to the examination and by State for a period of three years after final payment under the Grant Agreement with respect of all matters connected with the Grant Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of NCSD or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion. See Exhibit H for a listing of documents/records that auditors would need to review in the event of a grant being audited.

- D.6 BUDGET CONTINGENCY – LIMIT ON STATE FUNDS:** The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 is subject to the availability of funds including any mandates from the Department of Finance, the Pooled Money Investment Board or any other state authority. Neither the State nor the FCWCD will make payments of any kind, including advances or reimbursements, until funding is made available by the State Treasurer.
- D.7 CHILD SUPPORT COMPLIANCE ACT:** NCSD acknowledges in accordance with Public Contract Code 7110, that:
- a) The NCSD recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b) The NCSD, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.8 COMPETITIVE BIDDING AND PROCUREMENTS:** NCSD shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in NCSD's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by FCWCD under this Funding Agreement.
- D.9 COMPUTER SOFTWARE:** The NCSD certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.10 CONFLICT OF INTEREST**
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) **Former State Employee:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA:** NCSD agrees to expeditiously provide, during work on the Project and throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by the State or the FCWCD.
- D.12 DISPOSITION OF EQUIPMENT:** NCSD shall provide to State, not less than 30 days prior to submission of the final Project invoice, a final inventory list of equipment purchased with Grant funds. NCSD shall consult with State on the scope of the inventory not less than 60 days prior to the submission of the final Project invoice. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item.
- D.13 DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the NCSD. Payment shall be deemed complete upon deposit of the payment, properly

addressed, postage prepaid, in the United States mail. Any claim that NCSD may have regarding the performance of this Funding Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the FCWCD within thirty (30) calendar days of NCSD's knowledge of the claim. FCWCD and NCSD shall then attempt to negotiate a resolution of such claim and process an amendment to the Funding Agreement to implement the terms of any such resolution.

D.14 DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: By signing this Funding Agreement, NCSD, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 *et seq.*) and have or will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a).
- b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors, or subcontractors about all of the following:
 1. The dangers of drug abuse in the workplace,
 2. NCSD's policy of maintaining a drug-free workplace,
 3. Any available counseling, rehabilitation, and employee assistance programs, and
 4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide as required by Government Code Sections 8355(c), that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
 1. Will receive a copy of NCSD's drug-free policy statement, and
 2. Will agree to abide by terms of NCSD's condition of employment, contract or subcontract.

D.15 FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project and as determined by State, NCSD shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement and to the State's satisfaction.

D.16 GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.17 NCSD COMMITMENTS: NCSD accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement and all incorporated documents, including, without limitation, the Grant Agreement, and to fulfill all assurances, declarations, representations, and statements made by NCSD or FCWCD in the application, documents, amendments, and communications filed in support of FCWCD's request for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing for the Project.

D.18 INCOME RESTRICTIONS: NCSD agrees that any refunds, rebates, credits, or other amounts (including any interest thereon, accruing to or received by the NCSD under this Funding Agreement) shall be paid by the NCSD to the State, to the extent that they are properly allocable to costs for which the NCSD has been reimbursed by the FCWCD or the State under the Grant Agreement or this Funding Agreement.

D.19 INDEPENDENT CAPACITY: NCSD, and the agents and employees of NCSD, if any, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of FCWCD or the State.

D.20 INSPECTIONS: NCSD acknowledges that the State and FCWCD shall have the right to inspect the work being performed at any and all reasonable times, providing a minimum of a 24-hour notice, during the

term of the Funding Agreement. NCSD acknowledges that Project documents may be subject to the Public Records Act (California Government Code Section 6250 *et seq.*). State and FCWCD shall have the right to inspect these documents at any and all reasonable times after completion of the Project to ensure compliance with the terms and conditions of the Grant Agreement and this Funding Agreement. During regular office hours, State and FCWCD shall have the right to inspect and to make copies of any books, records, or reports of the NCSD relating to the Grant Agreement or this Funding Agreement. NCSD shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by NCSD to comply with this provision shall be considered a breach of this Funding Agreement, and State or FCWCD may withhold disbursements to NCSD or take any other action they deem necessary to protect their interests.

- D.21 NONDISCRIMINATION:** During the performance of this Funding Agreement, NCSD and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. NCSD and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. NCSD and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Funding Agreement by reference and made a part hereof as if set forth in full. NCSD and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. NCSD shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Funding Agreement.
- D.22 NO THIRD PARTY RIGHTS:** Subject to NCSD's obligations to the State, as set forth in this Funding Agreement, the parties do not intend to create rights in, or grant remedies to, any third party.
- D.23 OPINIONS AND DETERMINATIONS:** The parties agree that review or approval of any Project applications, documents, permits, plans and specifications or other Project information by the State or FCWCD is for administrative purposes only and does not relieve the NCSD of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project.
- D.24 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS.** NCSD shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this Funding Agreement. NCSD shall comply with the California Environmental Quality Act (PRC Section 21000 *et seq.*) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to expending any funds disbursed pursuant to this Funding Agreement.

Without limiting the foregoing, NCSD shall keep informed of and take all measures necessary to ensure compliance with California Labor Code requirements, including but not limited to Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5), and payment of prevailing wages for work done under this Funding Agreement. Pursuant to the provisions of Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Cal. Pub. Res. Code § 75076 *et seq.*, the NCSD must have a labor compliance program that meets the requirements of California Labor Code Section 1771.5.

- D.25 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE OR FCWCD PERMISSION:** NCSD shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the

Project without prior permission of State and FCWCD. NCSD shall not take any action concerning the performance of this Funding Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of NCSD to meet its obligations under this Funding Agreement, without prior written permission of State and FCWCD. State or FCWCD may require that the proceeds from the disposition of any real or personal property acquired with funds disbursed under this Funding Agreement be remitted to State.

- D.26 REMEDIES, COSTS, AND ATTORNEY FEES:** The NCSD agrees that any remedy provided in this Funding Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the FCWCD as a result of breach of this Funding Agreement by the NCSD, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Funding Agreement by the FCWCD shall not preclude the FCWCD from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Funding Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
- D.27 RETENTION:** Notwithstanding any other provision of this Funding Agreement, the NCSD acknowledges that the State will be withholding five percent (5.0%) until January 1, 2016 and ten percent (10.0%), thereafter, of the funds requested by FCWCD for reimbursement of Eligible Project Costs. The Project will be eligible to release its retention when the Project is completed and NCSD has met the requirements of Paragraph 16, "Submissions of Reports" as follows. At such time as the "Project Completion Report" required under Paragraph 16 is submitted to and approved by State, State will disburse the retained funds for the Project to FCWCD, unless the Project is the last project to be completed under the Grant Agreement, in which case retention for the Project will not be disbursed until the "Grant Completion Report" is submitted to and approved by State. The FCWCD will timely release the retention to NCSD upon receipt of said funds from the State.
- D.28 RIGHTS IN DATA:** To the extent permitted by law, the NCSD agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Funding Agreement shall be in the public domain. NCSD may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to the State and FCWCD for financial support. NCSD shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
- D.29 SEVERABILITY OF UNENFORCEABLE PROVISION:** If any provision of this Funding Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Funding Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.
- D.30 STATE OR FCWCD REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State or FCWCD is for administrative purposes only and does not relieve the NCSD of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, NCSD agrees to indemnify, defend and hold harmless the FCWD and State against any loss or liability arising out of any claim or action brought against the FCWCD and/or State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with:
- a) The Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof;
 - b) Performing any of the terms contained in this Funding Agreement or any related document;
 - c) Any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law

and CWC Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the natural water system; or

- d) Any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the NCSD for use in any disclosure document utilized in connection with any of the transactions contemplated by this Funding Agreement. NCSD agrees to pay and discharge any judgment or award entered or made against the FCWCD or State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of the Funding Agreement.

Without limiting the foregoing, the NCSD expressly agrees to indemnify, defend and hold harmless the FCWCD against any loss or liability arising out of any claim or action brought against the FCWCD by State for breach of the Grant Agreement (or any related cause of action) based on NCSD's failure to comply with the terms, provisions, conditions and written commitments set forth therein.

D.31 INSURANCE: NCSD, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Funding Agreement. Such policies shall be maintained for the full term of this Funding Agreement and the related warranty period (if applicable) and shall provide products/completed operations coverage for four (4) years following completion of NCSD's work under this Funding Agreement and acceptance by the FCWCD. Any failure to comply with the reporting provision(s) of the policies referred to above shall not affect coverage provided to the FCWCD, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "FCWCD" shall include officers, employees, volunteers and agents of the FCWCD, individually or collectively.

- a) Minimum Scope and Limits of Required Insurance Policies. The following policies shall be maintained with insurers authorized to do business in the State of California and shall be used under forms of policies satisfactory to the FCWCD:

1. Commercial General Liability Insurance Policy (CGL). Policy shall include coverage at least as broad as set forth in Insurance Services Office (ISO) Commercial General Liability coverage (Occurrence Form CG 0001) with policy limits of not less than the following:
\$1,000,000 each occurrence (combined single limit);
\$1,000,000 for personal injury liability;
\$1,000,000 aggregate for products-completed operations; and
\$1,000,000 general aggregate
The general aggregate limits shall apply separately to NCSD's work under this Funding Agreement.
2. Business Automobile Liability Policy (BAL). Policy shall include coverage at least as broad as set forth in ISO Business Automobile Liability Coverage, Code 1 "Any Auto" (Form CA 0001). This policy shall include a minimum combined single limit of not less than one-million dollars (\$1,000,000) for each accident, for bodily injury and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any activities associated with this Funding Agreement. NCSD shall not provide a Comprehensive Automobile Liability policy which specifically lists scheduled vehicles without the express written consent of the FCWCD.
3. Workers' Compensation and Employers Liability Insurance Policy (WC/EL). This policy shall include at least the following coverages and policy limits:
 - i. Workers' Compensation Insurance as required by the State of California; and
 - ii. Employer's Liability Insurance Coverage B with coverage amounts not less than one million dollars (\$1,000,000) each accident/bodily Injury (BI); one million dollars (\$1,000,000) policy limit BI by disease; and one million dollars (\$1,000,000) each employee BI by disease.

- b) Deductibles and Self Insurance Retentions. Any deductible and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by NCSD and approved by FCWCD before work is begun pursuant to this Funding Agreement. At the option of the FCWCD, NCSD shall either reduce or eliminate such deductibles or self-insured retentions as

respect to the FCWCD, its officers, employees, volunteers and agents or shall provide a financial guarantee satisfactory to the FCWCD guaranteeing payment of losses and related investigations, claim administration and/or defense expenses.

- c) Endorsements. All of the following clauses and endorsements, or similar provisions, are required to be made a part of the insurance policies indicated in parentheses below:
1. A "Cross Liability", "Severability of Interest" or "Separation of Insureds" clause (CGL & BAL);
 2. The FCWCD, its officers, employees, volunteers and agents are hereby added as additional insureds with respect to all liabilities arising out of the NCSD's performance of work under this Funding Agreement (CGL & BAL);
 3. If the insurance policy covers an "accident" basis, it must be changed to "occurrence" (CGL & BAL);
 4. This policy shall be considered primary insurance with respect to any other valid and collective insurance FCWCD may possess, including any self-insured retention FCWCD may have, and any other insurance FCWCD does possess shall be considered excess insurance only and shall not be called upon to contribute to this insurance (CGL & BAL &);
 5. No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to FCWCD at the address set forth in Paragraph 25 (CGL, BAL & WC/EL &);
 6. NCSD and its insurers shall agree to waive all rights of subrogation against FCWCD, its officers, employees, volunteers and agents for any loss arising under this Funding Agreement (CGL); and
 7. Deductibles and self-insured retentions must be declared (all policies).
- d) Absence of Insurance Coverage. FCWCD may direct NCSD to immediately cease all activities with respect to this Funding Agreement if it determines that NCSD fails to carry, in full force and effect, all insurance policies with coverage at or above the limits specified in this Funding Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered NCSD's delay and expense. At the FCWCD's discretion, under conditions of lapse, the FCWCD may purchase appropriate insurance and charge all costs related to such policy to NCSD.
- e) Proof of Insurance Coverage and Coverage Verification. Prior to commencement of work under this Funding Agreement and annually thereafter for the term of this Funding Agreement, NCSD, or each of NCSD's insurance brokers or companies, shall provide FCWCD a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage certifications, as evidence of the stipulated coverages. All of the insurance companies providing insurance for NCSD shall have and provide evidence of a Best Rating Service Rate of A VI or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to FCWCD at the address set forth in Paragraph 25.

D.32 SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the NCSD shall be valid unless and until it is approved by FCWCD and made subject to such reasonable terms and conditions as FCWCD may impose.

D.33 TIMELINESS: Time is of the essence in this Funding Agreement.

D.34 TRAVEL: NCSD agrees that travel and per diem costs shall NOT be eligible for reimbursement with Grant funds, and shall NOT be eligible for computing NCSD cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement.

D.35 WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

The following reporting formats should be utilized:

QUARTERLY PROGRESS REPORT

NCSD shall submit Quarterly Progress Reports on a consistent basis to meet the State's requirement for disbursement of funds. The quarterly progress report should describe the work performed during the reporting period, including:

CONTINUING ELIGIBILITY

- For Urban Water Suppliers who have not submitted a complete Urban Water Management Plan, the status of the plan development and submittal.
- In areas that receive water supplied from the Sacramento-San Joaquin Delta, the IRWM Plan must reduce dependence on the Sacramento-San Joaquin Delta for water supply (SB 855 (Stats. 2010) Section 31(c)(1)(B)).
- Discuss the reasonable and feasible efforts to engage DAC into your IRWM efforts in regards to planning and projects that support their critical water supply or water quality needs.
- An update on efforts to adopt a Groundwater Management Plan.

PROJECT INFORMATION (INCLUDE ANY OF THE BELOW THAT WERE APPLICABLE DURING THE REPORTING PERIOD)

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies.
- Major accomplishments during the quarter (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.).
- Discussion of data submittal effort(s) for the previous quarter, including a description of the data submitted and date(s) of submittal.
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in the Project work plans.

COST INFORMATION

- Provide a list showing all costs incurred during the quarter by the NCSD, and each contractor working on the Project. The list should include for all non-construction, or implementation costs, (i.e., design, and admin charges) the hours per task worked on during the quarter for above personnel.
- A discussion on how the actual budget is progressing in comparison to the Project budget included in the Work Plan.
- A revised budget, including an explanation of why the revisions were necessary, by task, if changed from the latest budget shown in Appendix C, Budget. Note, a revised budget may require an official amendment to the Grant Agreement as well as this Funding Agreement before it is accepted as final.

SCHEDULE INFORMATION

- A schedule showing actual progress versus planned progress as shown in Exhibit B.
- A discussion on how the actual schedule is progressing in comparison to the schedule in Exhibit B.
- A revised schedule, by task, if changed from latest schedule in Exhibit B. Note, a revised schedule may require an official amendment to the Grant Agreement as well as this Funding Agreement before it is accepted as final.

ANTICIPATED ACTIVITIES NEXT QUARTER

- Provide a description of anticipated activities for the next quarterly reporting period.

PROJECT COMPLETION REPORT

A Project Completion Report is required for the Project and shall include the following Sections:

EXECUTIVE SUMMARY

The Executive Summary consists of a maximum of ten (10) pages summarizing Project information (see report status section below for topics). The Executive Summary should include the following:

- Brief description of work proposed to be done in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application.
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement or Funding Agreement. List any official amendments to the Grant Agreement or Funding Agreement, with a short description of the amendment.
- Describe the mechanism or process that allows for continued performance monitoring of the Project in meeting the objectives of the IRWM Plan.

REPORTS AND/OR PRODUCTS

- Provide a copy of any final technical report or study, produced for the Project as described in the Work Plan, if applicable.
- Provide a map and shapefile(s) showing the location of the completed Project. A description of the geographic projection and datum used for the shapefile must be submitted with the shapefile (a NAD '83 datum and either a UTM 10 or UTM 11 projection, dependent on the Project's location in the state, should be utilized).
- If any wells were constructed as part of the Project, provide the following information: well logs; borehole geophysical logs; state well number; site information to include horizontal (NAD '83) and vertical (NAVD '88) datum to be determined within 0.5 feet.
- Provide an electronic copy of any as-built plans (media: CD-ROM; PDF format).
- Provide copies of any data collected along with location maps.
- If applicable, describe the findings of any study and whether the study determined the engineering, hydrologic, hydrogeologic, environmental, economic and financial feasibility of the Project.
- If applicable, a discussion of the critical water supply or water quality benefits to DAC as part of this Funding Agreement.

COST & DISPOSITION OF FUNDS INFORMATION

- A list of invoices showing:
 - The date each invoice was submitted to FCWCD.
 - The amount of the invoice.

- The date the check was received.
- The amount of the check (If a check has not been received for the final invoice, then state this in this section).
- A spreadsheet summary of the original budget costs by task versus the final Project costs.
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/major consultant/sub-consultants (indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc).
 - Construction cost information, shown by material, equipment, labor costs, and change orders.
 - Any other incurred cost detail.
 - A statement verifying separate accounting of Grant disbursements.
- Summary of Project cost including:
 - Accounting of the cost of Project expenditure.
 - Include all internal and external costs not previously disclosed.
 - A discussion of factors that positively or negatively affected the Project cost and any deviation from the original Project cost estimate.

ADDITIONAL INFORMATION

- Benefits derived from the Project, with quantification of such benefits provided, if applicable.
- A final Project schedule showing actual progress verse planned progress.
- Certification from a California Registered Civil Engineer that the Project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report and an outline of the proposed reporting format.

POST-PERFORMANCE REPORT

A Post Performance Report is required annually for a period of 10 (ten) years beginning after the first year of operation and shall include the following:

REPORTS AND/OR PRODUCTS

- Time period of the annual report, i.e., Oct 2014 through September 2015.
- Short Project description.
- Brief discussion of the Project benefits to water quality, water supply, and the environment.
- An assessment of any explanations for any differences between the expected versus actual Project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the Project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 21 of this Funding Agreement.
- Any additional information relevant to or generated by the continued operation of the Project.

ELECTRONIC REPORT FORMATTING

NCSD agrees that work funded under this Funding Agreement will be provided in an electronic format to FCWCD. Electronic submittal of final reports, plans, studies, data, and other work performed under this Grant shall be as follows:

- Text preferably in MS WORD or text PDF format.
- Files generally less than 10 MB in size.
- Files named so that the public can determine their content. For example, file naming of reports must have the title and, if subdivided into smaller sized files, the chapter number/letter and names in the report Table of Content (TOC); files of maps, figures, and tables by number/letter as referenced in the TOC; well logs files with DWR-required naming convention; and Appendix number/letter and named in the TOC.
- If the Project involves a modeling component, NCSD shall provide the major input data files, parameters, calibration statistics, output files, and other information requested by State's Project Manager.

EXHIBIT F

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EXHIBIT G
REQUIREMENTS FOR DATA SUBMITTAL

SURFACE AND GROUNDWATER QUALITY DATA:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in Project reports, as described in Exhibit E.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website:

<http://www.ceden.org>.

If the Project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: http://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the NCSD can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at:

http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml

GROUNDWATER LEVEL DATA

If the Project collects groundwater level data, NCSD will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in Project reports, as described in Exhibit E. Information regarding the WDL and in what format to submit data in can be found at:

<http://wdl.water.ca.gov/>.

DWR's WDL has been replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). NCSD will submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

Exhibit H
STATE AUDIT DOCUMENT REQUIREMENTS AND GUIDELINES FOR GRANTEES
UNDER DWR FINANCIAL ASSISTANCE PROGRAMS

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. The list of documents is applicable to both Grant funding and NCSD's Funding Match and details the documents/records that State Auditors would need to review in the event of that the Grant Agreement or this Funding Agreement is audited. NCSD should ensure that such records are maintained for each funded project.

List of Documents for Audit

Internal Controls:

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the Project).
2. Written internal procedures and flowcharts for the following:
 - a. Receipts, deposits and disbursements
 - b. State reimbursement requests
 - c. Funding expenditure tracking
 - d. Guidelines, policy, and procedures on grant funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on grant funded Program/Project.

Agreements and Contracts:

1. Original signed Funding Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants received from the State.
3. A listing of all other funding sources for each project.
4. All subcontractor and consultant contracts and related or partners documents, if applicable.
5. Contracts between the Agency and member agencies as related to this funding agreement.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under this Funding Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related budget line items under this Funding Agreement.
3. Reimbursement requests submitted to the State for this Funding Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under this Funding Agreement.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for grant reimbursement.

Administration Costs: Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on this grant funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to this Funding Agreement.

Project Files:

1. All supporting documentation maintained in the project files.
2. All correspondence related to this Funding Agreement.

General Funding Agreement Guidelines

Amendment Requirements:

Amendments to the Work Plan, Budget, and/or Schedule of the Grant Agreement and this Funding Agreement are triggered when the proposed changes are deemed by the State to be substantial. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. For example, a formal budget change to the Grant Agreement is required when the culmination of proposed Grant amount budget change(s) for a Task is greater than 10% of the original Grant amount budget for that particular Task or the Task to be exchanged.

Funding Match Contribution

Funding Match (often referred to as NCSD Cost Share) is the amount defined in Paragraph 5 of this Agreement. Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the NCSD (and potentially other parties involved) directly related to the execution of the scope of work (examples: volunteer services, equipment use, and facilities). The cost of which in-kind service is valued can be counted as funding match in-lieu of actual funds (or revenue) provided by the NCSD. Other funding match and in-kind service eligibility conditions apply (see paragraph 8). Provided below is guidance for claiming funding match with and without in-kind services.

1. Adequate documentation supporting value of in-kind service (or volunteer service) as funding match claimed shall be maintained. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the NCSD for its own employees. Provide formal (on official letterhead) and substantial documentation of in-kind service by including the following:
 - o Describe contributed item(s) or service(s)
 - o Purpose for which contribution was made (tie to scope of work)
 - o Name of contributing organization and date of contribution
 - o Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (see item #4, below)
 - o Person's name and function of the contributing person
 - o Hours of contribution
 - o If multiple sources exist, summarize these on a table with summed charges
 - o Was contribution provided by, obtained with, or supported by government funds? If so, indicate source.
2. Funding match contribution (including in-kind services) shall be for costs and services directly attributed to activities included in this Funding Agreement Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of this Funding Agreement. Evaluate eligibility with DWR Project Manager in advance of submittal.
3. Do not track cash contributions made to a project as an expenditure as you would for an in-kind service. When providing funding match, track cash contributions to the Project (i.e. revenues) and expenditures (typically in-kind contribution) separately in an accounting system.
4. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the NCSD organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

EXHIBIT I

[NOT APPLICABLE – INTENTIONALLY LEFT BLANK]

EXHIBIT J

GRANT AGREEMENT No. 460000717